



NOTES FROM THE:

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After a turbulent ride, FY00 wrapped up successfully, but aggressive actions were required to make it to year end. Congressional denial of sources from the Omnibus Appropriation put significant pressure on us as we used our best fiscal expertise to minimize significant mission impact throughout the Air Force. Increased operational costs, working capital fund costs, and other critical needs challenged us to the utmost of our ability. We flew 97 percent of the flying hour program, met Congressional readiness limitations, and funded all critical mission requirements. We begin FY01 with at least equally tough challenges. The Air Force continues to strengthen readiness by fully funding higher flying hour costs, readiness spares, and shrinking the spares bowwave. A one percent FY01 O&M real decline from FY00 will exert even more pressure on comptrollers from Air Staff to unit level, in an uncertain fiscal environment, that may well mean making it to September with limited funding. In MILPERS, having met our FY00 recruiting goals, we are shaping our funding strategy to cover costs to fully achieve FY01 retention objectives and counter PERSTEMPO trends. Competing demands for resources in FY01 reinforces the vital role our budget leaders play in planning and execution.

Budget Review

We are engaged in the budget review process although there is more than the usual uncertainty due to the transition of administration which will begin 20 January 2001. Nonetheless, the Air Force Budget Estimate was submitted in September accompanied by the full compliment of exhibits, followed by OSD/OMB hearings, and the processing of Program Budget Decisions. The result of this effort will be a baseline budget which can serve as a starting point for the development of a President's Budget for submission to Congress once the new administration has stepped in. The law requires a submission to Congress in early February. This will be pro forma—involving no program detail or justification materials. All of that detail will be reserved for the revised submission which will follow a month or two later. This means a delay in the normal annual cycle which could effect timing of the POM and the follow-on budget review for next year, but these questions will have to be addressed after 20 January. Despite these uncertainties, we are working with the programming community in the development

of changes in the POM process. These changes involve an expanded role for the MAJCOMS in POM development. While there are many details to be worked out, this will be a learning experience and will improve the overall process in the coming months.

Issues Involving DRID #47 and DRID #53

Defense Reform Initiative Directive (DRID) #53 was established to implement the DEPSECDEF direction to shut down MOCAS by 2 October. MOCAS is the system used by DFAS-CO to pay contractors. DRID #47 was established to implement the End to End Procurement Process Model.

The tasking to the DRID was twofold. The first was to close as many contracts as possible to minimize the number that would have to be reconciled and restructured to the new payment system. The second was for those contracts that will have work remaining or payments due after 2 October, to reconcile the obligations and payments made to date at the contract line item level so that the contracts can be restructured and entered into the new system.

OSD established an Executive Steering Group co-chaired by the Deputy Comptroller and AT&L. The Air Force and other Services provided Acquisition (Ms Druyan) and Financial Management (Mr Hale) members. OSD also established a working group co-chaired by DFAS and DCMA with acquisition and financial management representatives. Marti Maust, SAF/FMBMM, is the financial management representative on the working group and AFMC/PK provided the acquisition representative, Ms Sylvia Youngman. There is also an informal headquarters group comprised of SAF/AQ/FM/IL and AF/SC representatives that meets periodically to monitor the progress and potential impact of the DRID on Air Force contracts, requirements systems, and financial systems.

HQ AFMC has overall lead on the Air Force implementation since over 90% of the MOCAS contracts are managed by AFMC organizations. They have a working group that has made significant progress in identifying the actions required, establishing a schedule, and providing guidance to the program level acquisition and financial management personnel that must actually do the review and reconciliation required. You can review their web site at www.afmc-mil.wpafb.af.mil/HQ-AFMC/PK/pkp/pkpa/mocas.htm.